



STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

President Bush – Personal Accounts Good Enough For Congress, Good Enough For Everyone: "And that's an important part of an ownership society in America. ... This isn't a new idea, by the way, in Washington, D.C. I think you'll find this interesting, at least I certainly did when I started looking in on the issue -- is that the United States Congress has set up what is called a Thrift Savings Plan. It's a plan that lets United States senators and members of the House of Representatives set aside some of their own money in a conservative mix of bonds and stocks. You know what I think? I think if that plan is good enough for members of the United States Congress, it's good enough for workers all across America." (President George W. Bush, Pennsylvania Future Farmers America, Pennsylvania State University, 6/14/05) [Read The Transcript.](#)

President Bush – Personal Accounts Grow Inheritable Nest Egg: "Suppose one of your brothers or sisters becomes a farmer and marries a food scientist and they earn typical wages from both those professions; and you enter the work force in 2011, and you work your entire career; and you're allowed to put a third of your payroll taxes aside, and it grows at 4.6 percent and compounds over time -- by the time you retire, you'll have a nest egg of \$570,000 -- your money. It's a part of a Social Security system. It would supplement your Social Security checks, but it's your money. No one can take it away from you. ... It's money you can pass on to whomever you choose." (President George W. Bush, Pennsylvania Future Farmers America, Pennsylvania State University, 6/14/05) [Read The Transcript.](#)

Democrat Economist Pozen Praises President, Says Social Security Should Be Reformed Now: "President Bush has shown great political courage in taking on this controversial issue, which only a second-term president can afford. No president is likely to tackle such a political hot potato in the face of a re-election contest. If both Democrats and Republicans show flexibility in working together, we have a fighting chance to solve the Social Security problem before it becomes a crisis. Once the baby boomers begin to retire in 2012, it may be too late to modify their benefit formulas. The window for Social Security reform is open, but it's closing fast." (Robert C. Pozen, "Why My Plan To Fix Social Security Will Work," *USA Today*, 6/12/05) [Read The Article.](#)

Pozen Proclaims Progressive Benefit Growth Increases Benefits Substantially: "First, no one has a legal entitlement to the current schedule of Social Security benefits; Congress can change it at any time. Second, under progressive indexing, the purchasing power of the Social Security benefits received by most workers would rise substantially over the course of the next century. Third, and most importantly, we simply cannot afford the current schedule of benefits. Absent major reforms, the system will default in 2041, and benefit levels will automatically be reduced by roughly 26% for all workers." (Robert C. Pozen, "Why My Plan To Fix Social Security Will Work," *USA Today*, 6/12/05) [Read The Article.](#)

SBA Director Barreto Promotes Personal Accounts At Florida Black Chamber of Commerce: "On Monday, the FBCC brought in Small Business Administration Director Hector Barreto, who trumpeted President Bush's plan to revamp Social Security by urging workers to take responsibility for their own retirement plans and invest in personal retirement accounts. "It won't solve the problem," Barreto said, "but it gives workers an opportunity to have an option for retirement." On Monday, the FBCC brought in Small Business Administration Director Hector Barreto, who trumpeted President Bush's plan to revamp Social Security by urging workers to take responsibility for their own retirement plans and invest in personal retirement accounts." (Juana Jordan, "Black Business Gets A Booster," *The Tallahassee Democrat*, 6/14/05) [Read The Article.](#)

Personal Accounts Offer More Retirement Options: "Before the private-account system began in 1981, Chile had a traditional pension system going broke with the same problems as America and Europe: rising taxes on the young to pay for older workers who were retiring earlier and earlier. But under the new system, there's been a 30 percent increase in the labor force participation by workers in their 60's, according to two economists, Estelle James and

Alejandra Cox Edwards. Best of all, Chileans who control their own private-account pensions don't have to count on politicians or groups like AARP to decide when they can retire. It's a personal choice, not a public battle." (John Tierney, "The Old and the Rested," *The New York Times*, 6/14/05) [Read the Article.](#)

Dallas Morning News – "It's Not So Hard to Save Social Security...We Just Need the Will": "Robert Pozen, chairman of a Boston investment firm and a Democrat, has come up with a fair way to change the way Social Security figures benefits. He calls it 'progressive indexing,'...a sure-fire way to reduce Social Security's financial pressure. We simply have too few workers to support the current system. Changing how much gets paid out would relieve the pressure and allow Social Security to continue well into the future...It's our choice. Mr. Pozen has a fair plan. The poorest Americans are protected. The wealthiest face the most demands. And the middle class sees a gradual change. Let's dive in! ... It's not so hard to save Social Security. We just need the will." (William McKenzie, "We Can Save Social Security, Here's How", *Dallas Morning News*, 6/14/05) [Read the Column.](#)

Barreto Warns Doing Nothing Would Cost \$600 Billion Each Year: "Small Business Administrator Hector Barreto called on Florida's entrepreneurs Tuesday to support Social Security reform...saying failure to act on either could have serious consequences for small companies. ... Speaking to the Greater Sarasota Chamber of Commerce, the Small Business Administration chief called a Social Security overhaul particularly pressing for small companies, which often can't afford personal savings programs or 401(k) plans common to big business. 'Most small-business owners and employees depend solely on their Social Security benefits,' Barreto said. And if those benefits start to dry up, he said, small businesses 'will be the first to feel it.' According to the Social Security trustee board, benefits to the elderly will start outstripping contributions starting in 2017, and the system will go broke in 2041 -- unless changes are made. ... According to Barreto, it would take \$600 billion a year to rescue the existing system. 'We can't raise taxes fast enough to fill that hole,' he said." (Jim Wyss, "SBA Administrator Promotes Trade, Social Security Reform," *The Miami Herald*, 6/15/05) [Read The Article.](#)

Government Spends Social Security Money On Other Programs: "To stave off these eventualities, Social Security needs deep restructuring now. Just as companies, unions, nonprofits, and state and local governments are not allowed to spend retirement contributions on general operations, the federal government should not be allowed to do so either. That money should be invested, via personal retirement accounts, in a broad range of securities like stocks, bonds, and money market funds." (Patrick Chisholm, "The Mother of All Mismanaged Retirement Plans," *The Christian Science Monitor*, 6/16/05) [Read The Article.](#)

Montana Student Educates Peers On Benefits Of Personal Retirement Accounts: "Kala French of Kalispell is only 20, but she's taking on Social Security. French...advocates reforming Social Security by adding voluntary personal retirement accounts while not disrupting the benefits of those currently drawing or about to draw Social Security benefits. 'I think a lot of times, for my generation,' she says, 'that we look so much at the here and now that we don't think about the long term.' In the past few months French...has visited college campuses to talk with students about Social Security reform. She plans to volunteer...a few hours each month. Many people her age, such as her peers at Montana State University where she's a political science and business major, might not list Social Security as a priority. But they should, she says. 'They're real issues that affect my generation,' she says." (Camden Easterling, "College Student Takes On Social Security," *The Daily Interlake*, 6/10/05) [Read The Article.](#)

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